



NEWS RELEASE

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USDA Rural Development Provides Farmers Cooperative Elevator Company With Value-Added Grant To Assist in Marketing Hard White Wheat

Hemingford, Neb., December 8, 2005-USDA Rural Development presented Farmers Cooperative Elevator Company (FCEC) with a \$29,000 symbolic value-added producer grant (VAPG) check today. The monies will determine the feasibility of hard white wheat for new and emerging markets.

"The grants provided through our Value-Added Producer Grant (VAPG) program help find alternative uses for agriculture products and locate new marketplaces in which to sell those products," stated Cliff Kumm, assistant to the state director for USDA Rural Development in Nebraska. "Farmers Cooperative Elevator Company's proposed value-added venture, if proven feasible, will provide a new source of revenue for its' member producers. This project would keep more of the commodity's profits at home benefiting the cooperative, its' member producers and surrounding rural communities."

Health conscious Americans are looking to white wheat as a better tasting, healthy alternative to whole wheat. White wheat fans declare that white wheat flour has all the nutrition and fiber of whole wheat varieties without the taste that some find unpleasant in whole wheat. Consumers are demanding white wheat in the production of noodles, pastries and bread. Foreign markets have been and are currently seeking this hard white wheat from U.S. wheat growers.

FCEC's proposed value-added project will enhance hard white wheat by providing for its differentiation and segregation. The co-op's current storage facilities offer physical segregation for large quantities of hard white wheat from hard red wheat through the testing, handling, storage and rail shipment phases. This segregation preserves the wheat's identity and increases its value and marketability. The co-op's existing rural transportation system would transport the increased quantities of hard white wheat to Pacific Northwest buyers who would sell the commodity on the international market.

"Marketing of the hard white wheat will allow our producers to enter a market not traditionally supported by Farmers Coop Elevator Company," stated Michael Fastnacht, grain manager, Farmers Cooperative Elevator Company. "The co-op's value-added project will research the feasibility of pursuing an emerging market that would increase its agricultural producers' customer base and share of the agricultural system's profit. If feasible, there would be an increase in the profitability and viability of the small and medium-sized farms in the co-op's service area."

FCEC serves the Nebraska counties of Box Butte, Dawes, Sioux, Sheridan, Banner, Morrill, Garden and Cherry.

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The VAPG monies will conduct and evaluate a feasibility study to determine the viability of the FCEC's hard white wheat project from the standpoints of marketing, production, financial, and business management. If proven feasible, a business and marketing plan will be developed and implemented. The coop's legal structure for the new and emerging product will also be developed.

Statewide, value-added grants for Fiscal Year 2005 totaling \$1,113,540 assisted 16 producers in value-added ventures. The 2002 Farm Bill made available monies for value-added projects. Since the beginning of the USDA Rural Development VAPG program, Nebraska has received over \$7.7 million assisting in 54 value-added ventures.

Value-added grants help producers to expand the customer base for their commodities through a value-added activity that allows producers to retain a greater profit in the marketplace.

For additional information contact Tim Brooks, 818 Ferdinand Plaza, Suite B Scottsbluff, Neb. 69361-4401, timothy.brooks@ne.usda.gov, (308) 632-2195; or Cydney Janssen, 1020 West 6th Chadron, Neb. 69337, cydney.janssen@ne.usda.gov, (308) 432-4616; (402) 437-5093 (TDY). Visit <http://www.rurdev.usda.gov/ne/>.

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